

Date - Stamp Copy

703 356 6863

THE MAGEE LAW FIRM, PLLC

6845 Elm Street
Suite 205
McLean, Virginia 22101JAMES E. MAGEE
CORINNE J. MAGEE
JENNIFER A. NEWBERRYTELEPHONE: 703-356-7500
FACSIMILE: 703-356-6863Of Counsel
KRISTIE STOKES HASSETT +
KATHRYN D. LECKEY

+Not Admitted in Virginia

SEP 01 2004
FCC/MELLON

WC 04-354

September 1, 2004

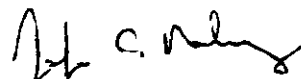
Federal Communications Commission
c/o Mellon Client Service Center
500 Ross Street, Room 670
Pittsburgh, PA 15262-0001
Attention: FCC Module SupervisorVIA HAND DELIVERYRe: Joint Application for Streamlined Approval For Authority to Issue and Acquire
Preferred and Common Stock Pursuant to Domestic Section 214 Authority

Dear Sir or Madam:

Enclosed for filing on behalf of Hudson Valley DataNet, LLC. Connecticut DataNet, LLC, DataNet Communications Group, Inc., DCG Acquisition LLC and Quadrangle Capital Partners LP are an original and an additional copy of the above-referenced Application and accompanying certifications. Also enclosed is a check in the amount of \$895.00 to satisfy the Commission's filing fee and corresponding FCC Form 159.

Please call me at (703) 356-7500 with any questions about the enclosed Application.

Sincerely yours,



Jennifer A. Newberry

Enclosures

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDINGFEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICEApproved by OMB
3060-0190

Page 1 of 2

(1) CHECK BOX 358145		SPECIAL USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(3) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) The Magee Law Firm, PLLC		(4) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$895.00	
(13) STREET ADDRESS LINE NO. 1 6845 Elm Street			
(14) STREET ADDRESS LINE NO. 2 Suite 205			
(6) CITY McLean		(7) STATE VA	(8) ZIP CODE 22101
(9) DAYTIME TELEPHONE NUMBER (include area code) 703-356-7500		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0008545501		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS, FORM (59-C) COMPLETE SECTION BELOW FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Hudson Valley DataNet, LLC			
(14) STREET ADDRESS LINE NO. 1 900 Corporate Boulevard			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY Newburgh		(17) STATE NY	(18) ZIP CODE 12250
(19) DAYTIME TELEPHONE NUMBER (include area code) 845-567-6367		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0008399032		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$895.00	(27A) TOTAL FEE \$895.00	FCC USE ONLY	
(28A) FCC CODE 1	(29A) FCC CODE 2		
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1	(29B) FCC CODE 2		
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, <u>Jennifer A. Newberry</u> certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE <u>J. A. Newberry</u>		DATE <u>9-1-04</u>	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the services/authorization herein described.			
SIGNATURE _____		DATE _____	

THE MAGEE LAW FIRM, PLLC

6845 Elm Street
Suite 205
McLean, Virginia 22101

JAMES E. MAGEE
CORINNE J. MAGEE
JENNIFER A. NEWBERRY

TELEPHONE: 703-356-7500
FACSIMILE: 703-356-6863

Of Counsel
KRISTIE STOKES HASSETT +
KATHRYN D. LECKEY

-Not Admitted in Virginia

September 1, 2004

Federal Communications Commission
c/o Mellon Client Service Center
500 Ross Street, Room 670
Pittsburgh, PA 15262-0001
Attention: FCC Module Supervisor

VIA HAND DELIVERY

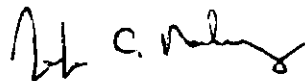
Re: Joint Application for Streamlined Approval For Authority to Issue and Acquire
Preferred and Common Stock Pursuant to Domestic Section 214 Authority

Dear Sir or Madam:

Enclosed for filing on behalf of Hudson Valley DataNet, LLC, Connecticut DataNet, LLC, DataNet Communications Group, Inc., DCG Acquisition LLC and Quadrangle Capital Partners LP are an original and an additional copy of the above-referenced Application and accompanying certifications. Also enclosed is a check in the amount of \$895.00 to satisfy the Commission's filing fee and corresponding FCC Form 159.

Please call me at (703) 356-7500 with any questions about the enclosed Application.

Sincerely yours.



Jennifer A. Newberry

Enclosures

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)

HUDSON VALLEY DATANET, LLC.)
CONNECTICUT DATANET, LLC)
AND DATANET COMMUNICATIONS)
GROUP, INC.)

Transferors)

and)

File No. _____

DCG ACQUISITION LLC,)
AND QUADRANGLE CAPITAL)
PARTNERS LP AND ITS AFFILIATED)
FUNDS)

Transferees)

Joint Application for Streamlined Approval)
for Authority to Issue and Acquire Preferred)
and Common Stock Pursuant to Domestic)
Section 214 Authority)

**JOINT APPLICATION FOR STREAMLINED APPROVAL FOR AUTHORITY TO
ISSUE AND ACQUIRE PREFERRED AND COMMON STOCK
PURSUANT TO DOMESTIC SECTION 214 AUTHORITY**

Hudson Valley DataNet, LLC ("Hudson Valley"), Connecticut DataNet, LLC ("Connecticut"), DataNet Communications Group ("Parent"), DCG Acquisition LLC ("DCG"), and Quadrangle Capital Partners LP and its affiliated funds ("Quadrangle"), through their attorneys, hereby submit this Joint Application for approval by the Federal Communications Commission ("Commission") to issue and acquire Preferred and Common Stock of Parent by

in the States of New York, Connecticut or elsewhere.

Parent has entered into an Agreement with DCG and Quadrangle pursuant to which Parent will issue up to \$90 million in Convertible Preferred Stock to Quadrangle and to certain existing shareholders who will convert their shares of Parent Common Stock into Convertible Preferred Stock. Parent will use the proceeds from the sale of the Convertible Preferred Stock to Quadrangle to purchase a majority of the existing Common Stock of Parent from many of Parent's existing common shareholders, including from persons currently holding outstanding options for approximately 0.75 million shares of Parent's Common Stock who will convert those options into Parent Common Stock in connection with the transaction.

Through these transactions, Quadrangle will, through its rights of conversion, and after conversion, control approximately 70 percent of the voting shares of the Parent, and accordingly will have indirect control of Hudson Valley and Connecticut, the operating subsidiaries.

In conjunction with these transactions, Parent will establish a management/employee Stock Incentive Plan, pursuant to which options for additional shares of the Parent's Common Stock may be issued. These shares will constitute no more than 15% percent of the outstanding shares of the Parent.

The terms of the Convertible Preferred Stock will specify the level of dividends or other payments, conversion rights, and other terms and conditions, along with the date or dates of issuance, and the price, and will be determined in accordance with market factors, corporate considerations and the requirements of the parties.

Effectuation of these transactions will have no impact upon the current

management or operations of Hudson Valley and Connecticut. The existing executive officers and management team will remain in place, and the companies will continue to provide service to all of their existing customers under their tariffs or individual customer contracts. There will be no change in the terms, conditions or price of services to Hudson Valley's and Connecticut's customers, and the transactions will thus be transparent to them.

By granting this application, the Commission will serve the public interest, convenience, and necessity by allowing an additional infusion of capital that will permit Hudson Valley and Connecticut to expand and improve services available to their existing and future customers.

According to the FCC's fee schedule, Fee Code CUT, a check in the amount of \$895.00 is attached.

In support of this Joint Application, the following information is submitted as required by Section 63.04 of the Commission's Rules:

(1) The names, addresses, telephone numbers and facsimile numbers of the Applicants are:

Hudson Valley DataNet, LLC
Connecticut DataNet, LLC
DataNet Communications Group, Inc.
900 Corporate Boulevard
Newburgh, New York 12550
Telephone: (845) 567-6367
Facsimile: (845) 567-6377

DCG Acquisition LLC
Quadrangle Capital Partners LP and its affiliated funds
375 Park Avenue
New York, New York 10152
Telephone: (212) 418-1700
Facsimile: (212) 418-1701

(2) As stated above, Hudson Valley and Connecticut are Delaware Limited Liability Companies. Parent is incorporated under the laws of the State of Delaware. DCG is a Delaware Limited Liability Company. Quadrangle Capital Partners LP is a Delaware Limited Partnership. The Applicants are in good standing under the laws of Delaware.

(3) Correspondence concerning this Application should be addressed to:

James E. Magee, Esq.
Jennifer A. Newberry, Esq.
The Magee Law Firm, PLLC
6845 Elm Street
Suite 205
McLean, Virginia 22101
Telephone: (703) 356-7500
Facsimile: (703) 356-6863
E-mail: jmagee@mageelawfirm.com
jnewberry@mageelawfirm.com

(4) As previously stated, Hudson Valley and Connecticut are wholly owned by Parent. Prior to this transaction, the following persons own more than ten (10) percent of Parent:

John R. Galanti	US citizen	Company CEO	39% ownership
900 Corporate Blvd. Newburgh, NY 12550			

Patrick Coady	US citizen	Retired	12% ownership
4309 Speckles Lane Machipongo, VA 23405			

Richard L. Mattern	US citizen	Retired	12% ownership
Creek Road, Box 191 Beaverton, PA 17813			

Robert Zimmerman	US citizen	Telecommunications	11% ownership
1436 N. 40 th Street Allentown, PA 18104			

Quadrangle Capital Partners LP is the sole member of DCG. The Quadrangle affiliated funds that will hold Quadrangle's interest in Parent stock are Quadrangle Capital Partners LP, Quadrangle Select Partners LP and Quadrangle Capital Partners - A LP. They are each limited partnerships organized under the laws of the State of Delaware and their address is 375 Park Avenue, 14th Floor, New York, NY 10152. All three companies primarily invest in media and communications companies. The funds' capital is provided by their limited partners and general partner. A state teachers retirement fund holds approximately 95% of Quadrangle Capital Partners - A LP, and will indirectly own more than 10% of Parent as a result. No other person or entity owns more than 10% of Quadrangle. The sole general partner of all three entities is Quadrangle GP Investors LP, a Delaware limited partnership. The sole general partner of Quadrangle GP Investors LP is Quadrangle GP Investors LLC, a Delaware limited liability company, whose Managing Members are Peter Ezersky, Michael Huber, Steven Rattner, Joshua Steiner and David Tanner. The addresses of Quadrangle GP Investors LP and Quadrangle GP Investors LLC are the same as Quadrangle.

(5) The Applicants certify that no party to this Joint Application, as defined in 47 C.F.R. § 1.2002(b), is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(6) As stated above, Parent has entered into an Agreement with DCG and Quadrangle pursuant to which Parent will issue up to \$90 million in Convertible Preferred Stock to Quadrangle and to certain existing shareholders who will convert their shares of Parent Common Stock into Convertible Preferred Stock. Parent will use the proceeds from the sale of the Convertible Preferred Stock to Quadrangle to purchase a majority of the existing Common Stock

of Parent from many of Parent's existing common shareholders, including from persons currently holding outstanding options for approximately 0.75 million shares of Parent's Common Stock who will convert those options into Parent Common Stock in connection with the transaction.

Through these transactions, Quadrangle will, through its rights of conversion, and after conversion, control approximately 70 percent of the voting shares of the Parent, and accordingly will have indirect control of Hudson Valley and Connecticut, the operating subsidiaries.

In conjunction with these transactions, Parent will establish a management/employee Stock Incentive Plan, pursuant to which options for additional shares of the Parent's Common Stock may be issued. These shares will constitute no more than 15% percent of the outstanding shares of the Parent.

The terms of the Convertible Preferred Stock will specify the level of dividends or other payments, conversion rights, and other terms and conditions, along with the date or dates of issuance, and the price, and will be determined in accordance with market factors, corporate considerations and the requirements of the parties.

(7) Hudson Valley holds a Certificate of Public Convenience and Necessity from the New York Public Service Commission authorizing it to operate as a facilities-based common carrier and reseller of telephone services. Pursuant to that Certificate, Hudson Valley provides facilities-based private line services in the downstate area of the State of New York. Connecticut holds a Certificate of Public Convenience and Necessity from the State of Connecticut Department of Public Utility Control authorizing it to operate as a facilities-based common carrier and reseller of telephone services. Pursuant to that Certificate, Connecticut provides

facilities-based private line services in the southwest region of the State of Connecticut. Parent acts solely as a holding company for the stock and/or membership interests of Hudson Valley and Connecticut. DCG was formed for the sole purpose to make the stock acquisition from Parent, and will designate its rights to the investment to Quadrangle, such that after closing the Convertible Preferred Stock will be held directly by Quadrangle. Quadrangle is an investment firm, which does not itself provide any telecommunications services in the States of New York, Connecticut or elsewhere.

(8) This application qualifies for streamlined treatment under Section 63.03(b)(1)(ii) and (b)(2)(i). Hudson Valley and Connecticut are both non-dominant carriers with less than ten (10) percent market share in the local exchange marketplace. Further, as stated in No. 7, DCG and Quadrangle are not telecommunications providers. Thus, streamlined treatment of this Application is appropriate.

(9) No other applications are being filed with the Commission in relation to this transaction.

(10) The Applicants are not requesting special consideration because they are not facing imminent business failure at this time.

(11) The Applicants are not filing any separate waiver requests in conjunction with this transaction.

(12) Commission approval of this Joint Application will serve the public interest, convenience and necessity by allowing an additional infusion of capital that will permit Hudson Valley and Connecticut to expand and improve the services available to their existing and future customers. As a result of the transactions, the companies will be better positioned to continue to provide and expand the highest quality and most technologically advanced services, and

competition will be significantly enhanced. Further, effectuation of these transactions will have no impact upon the current management or operations of Hudson Valley and Connecticut. The existing executive officers and management team will remain in place, and the companies will continue to provide service to all of their existing customers under their tariffs or individual customer contracts. There will be no change in the terms, conditions or price of services to Hudson Valley's and Connecticut's customers, and the transactions will thus be transparent to them.

Verifications of the Applicants are attached hereto.

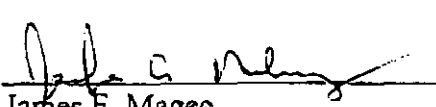
CONCLUSION

Applicants respectfully request that this Application for authority to issue and acquire preferred and common stock of Parent by Quadrangle be accepted for streamlined processing and that it be granted by the Commission.

Respectfully submitted,

HUDSON VALLEY DATANET, LLC,
CONNECTICUT DATANET, LLC,
DATANET COMMUNICATIONS GROUP, INC.
DCG ACQUISITION LLC,
QUADRANGLE CAPITAL PARTNERS LP AND ITS
AFFILIATED FUNDS

By:


James E. Magee
Jennifer A. Newberry
The Magee Law Firm, PLLC
6845 Elm Street
Suite 205
McLean, Virginia 22101

Attorneys for the Applicants

September 1, 2004

VERIFICATION OF TRANSFEROR APPLICANTS

On behalf of Hudson Valley DataNet, LLC ("Hudson Valley"), Connecticut DataNet, LLC ("Connecticut") and DataNet Communications Group, Inc. ("Parent"), and pursuant to Section 1.2001-1.2003 of the Commission's Rules, 47 C.F.R. §§ 1.2001-1.2003, I hereby certify that neither Hudson Valley, Connecticut, Parent nor any party to this Application is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. 21 U.S.C. § 853(a).

I also certify that the statements made in the foregoing Application for authority to issue and acquire preferred and common stock pursuant to Domestic Section 214 authority are true, complete, and correct to the best of my current knowledge and are made in good faith.

HUDSON VALLEY DATANET, LLC,
CONNECTICUT DATANET, LLC
AND DATANET COMMUNICATIONS
GROUP, INC.

By: 

John R. Galanti
Chief Executive Officer


Date: August 31, 2004

VERIFICATION OF TRANSFEREE APPLICANTS

On behalf of DCG Acquisition LLC ("DCG") and Quadrangle Capital Partners LP and its affiliated funds ("Quadrangle"), and pursuant to Section 1.2001-1.2003 of the Commission's Rules, 47 C.F.R. §§ 1.2001-1.2003, I hereby certify that neither DCG, Quadrangle nor any party to this Application is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a).

I also certify that the statements made in the foregoing Application for authority to issue and acquire preferred and common stock pursuant to Domestic Section 214 authority are true, complete, and correct to the best of my current knowledge and are made in good faith.


DCG ACQUISITION LLC

By: 
Joshua L. Steiner
Authorized Signatory

QUADRANGLE CAPITAL PARTNERS LP
AND ITS AFFILIATED FUNDS

By: QUADRANGLE GP INVESTORS LP,
its general partner

By: QUADRANGLE GP INVESTORS LLC,
its general partner

By: 
Joshua L. Steiner
Managing Member

Date: August 31, 2004

FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE (CONTINUATION SHEET) Page No. 2 of 2		SPECIAL USE
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB- ADDITIONAL APPLICANT INFORMATION		FCC USE ONLY
(13) APPLICANT NAME Connecticut DataNet, LLC		
(14) STREET ADDRESS LINE NO. 1 900 Corporate Boulevard		
(15) STREET ADDRESS LINE NO. 2		
(16) CITY Newburgh	(17) STATE NY	(18) ZIP CODE 12550
(19) DAYTIME TELEPHONE NUMBER (include area code) 845-567-6367		(20) COUNTRY CODE (if not in U.S.A.)
FCC REGISTRATION NUMBER (FRN) REQUIRED		
(21) APPLICANT (FRN) 0011417037		(22) FCC USE ONLY
COMPLETE SECTION C FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1	(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1	(29B) FCC CODE 2	
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1	(29C) FCC CODE 2	
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1	(29D) FCC CODE 2	
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1	(29E) FCC CODE 2	
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1	(29F) FCC CODE 2	